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# Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

# New Whittle shocker

By PATRICK REILLY

Christopher Whittle, a pioneer in new forms of print media, will leap into the electronic realm this spring with an ad-supported TV program beamed daily into classrooms nationwide.

The satellite-delivered program, called "Channel One," will emanate from Los Angeles and resemble a network morning news program. It will feature 18-to-24-year-olds as news anchors.

Mr. Whittle, chairman of Whittle Communications, said the program will serve as a "teachers' tool that assists our education community."

"Channel One" will be the largest sponsor-supported program of its kind ever attempted in schools. The size of the teen-age audience could even exceed what the highest-rated network programs deliver.

"Channel One" will start in test form March 6 in five pilot schools in five cities, including Mumford High School in Detroit and Eisenhower Middle School in Kansas City, Kan.

The test will consist of 25 daily programs spread across five weeks that will reach 8,000 to 10,000 students.

Each program will be 12 minutes long, including 2 minutes of commercial time divided into four 30-second spots.

Sources indicate potential advertisers include Procter & Gamble Co., McDonald's Corp., Converse and the U.S. Army.

The program is a mix of news, features and educational matter and will be produced by Susan Winston, a former producer of ABC-TV's "Good Morning America," with help from William Rukeyser, Whittle editor in chief.

The test is expected to be followed by a national rollout in 1990 that Whittle executives project would put "Channel One" into 8,000 middle and high schools, reaching an audience of about 6.5 million students ages 12 to 17.

As part of the test and national rollout, Whittle will install in each school the equivalent of $50,000 in electronic hardware, including 30 to 40 monitors per school, videocassette recorders and satellite dishes. When not showing "Channel One" to students, schools will be free to use the Whittle closed-circuit TV system for other educational programs, Mr. Whittle said.

The test is expected to cost $5 million, while the national rollout will cost more than $100 million, he said. Mr. Whittle explained the company will be able to save substantially on electronic hardware costs by buying in bulk.

"Channel One" may raise as much controversy as Whittle's *Special Reports* magazine project begun last year. The publications were offered for waiting rooms of doctors who agreed to make only two other magazines available, a move that angered other publishers.

The protests this time may come from educators who object to advertiser-supported TV in schools.

Peggy Charren, president of Action For Children's Television, a watchdog group, said she thought "Channel One" was a "nifty idea" until she was told it would be ad supported.

"It's horrendous," she said. "It would be as if the school system were telling students what to go out and buy. Every school system in the country should fight this."

But Mr. Whittle said that every school administrator who has been shown "Channel One" has accepted it.

"We are excited about getting it," said David Lusk, superintendent of the Kansas City Public

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## *Whittle's 12-minute news and information program*

Prototype programming for "Channel One" on Jan. 5

- Upfront: Summary of world and U.S. news: report U.N. Security Council meeting on terrorism . . . savings and loans rescued . . . Dukakis won't seek fourth term in Massachusetts . . . space shuttle update . . . India lowers voting age.
- Flashback: New Mexico becomes 47th state—Jan. 6, 1912
- Focus: Christine Higgins—hostage daughter.
- Fast fact: 52 American hostages released Jan. 20, 1981, as Reagan sworn in.
- Commercial: (30 seconds).
- Fast fact: World's largest high school in Calcutta.
- Commercial: (30 seconds).
- Five-part feature: The environment.
- Pop quiz: Which is older, the pyramids or the Great Wall of China?
- Commercial: (30 seconds).
- Fast fact: Arachibutyrophobia is the fear of peanut butter sticking to the roof of your mouth.
- Commercial: (30 seconds).
- Feature: Carl Lewis or British autoguide or actor Johnny Depp.
- Pop quiz answer: The pyramids, by 2,000 years.
- Features: Malcolm-Jamal Warner introduces U2 music video in a tribute to Martin Luther King.
- Tease: Alyssa Milano (for upcoming five-part series).

*Source:* Whittle Communications

C. Whittle

S. Winston

E. Winter

# Chiat, Mojo set stage for Euro growth

By GEOFFREY LEE MARTIN and CLEVELAND HORTON

Chiat/Day's bid to join the exclusive billionaire-billings club by acquiring Australia's Mojo MDA Group brings to mind Chiat/Day Chairman Jay Chiat's wisecrack: "I want to see how big the agency can get before it gets bad."

Should the $56.5 million deal go through, the $1 billion merged agency of Chiat/Day/Mojo will be in a strong position to continue his expansion philosophy. With the U.S. and now the Pacific Rim taken care of, the 20th-largest agency in the world plans to take on Europe.

Chiat/Day disclosed its two-phase bid for the Sydney-based Mojo last week (AA, Jan. 9). The deal was announced Down Under with a news release headlined: "Say G'Day to Chiat/Day."

The proposal, which still needs the approval of shareholders and the Australian government, effectively means that Mojo and Monohan Dayman Adams, which merged with Mojo in 1985, will go their separate ways. The pro-

*(Continued on Page 50)*

## *Last Minute News*

### *Burger King adding Rosenfeld shop*

MIAMI—Burger King tapped Rosenfeld, Sirowitz, Humphrey & Strauss, New York, for a regional ad program in the East, sources say. That puts the chain another step closer to implementing a layer of regional agencies and breaking up its centralized, $200 million account, now at N W Ayer, New York. Burger King denied that, saying any decision on adding a layer of regional agencies must be reached in concert with new owner Grand Metropolitan, and no such decision has been made. The introduction of new Pillsbury Chairman-CEO Ian A. Martin *(see story on Page 44)* to Burger King's marketing staff and national agency came last week at Ayer's Manhattan offices. Sources said the agency presented concepts for a successor campaign to "We do it like you do it." That campaign is expected to be completed in March. Insiders said Ayer's status on the account wasn't discussed.

### *K mart plans new Stewart push*

TROY, MICH.—K mart this week will disclose details of a $20 million marketing program featuring lifestyle consul-

*(Continued on Page 8)*

**Ogilvy 'in play' again?—P. 2**
**Korbel pops for Bush—P. 50**

## CEO denies fraud charges

# Agency group faces lawsuits

By JON LAFAYETTE

NEW YORK—ABP Group International, built through mergers by Joseph F. Bartolone Sr. into a marketing conglomerate claiming billings of more than $100 million, has been accused of fraud by the principals of two companies it acquired over the past two years.

Also, principals at two other ABP-acquired companies have left the group. The principals of one said they've terminated their sales promotion shop's affiliation with ABP.

Three lawsuits filed against ABP and Mr. Bartolone, its chairman-ceo, allege that ABP wooed acquisitions by inflating group billings, lying about its financial condition and making false promises of new business.

ABP has denied the charges and is fighting the suits. Its motions to dismiss are pending.

Mr. Bartolone, reached by phone last week, said, "The allegations are totally untrue, and I will not weaken the condition of the agency by discussing them."

ABP Group, formed in 1987, has a nearly two-page entry

*(Continued on Page 55)*

# Ogilvy battles takeover talk

By GARY LEVIN

NEW YORK—The future ownership of Ogilvy Group is in question again following a week of unexplained gyrations in the agency holding company's stock price.

Although no suitor has come forward, stock activity indicated the company may be "in play" for the second time in 17 months. There was an aborted takeover effort by former Ted Bates Worldwide executives Robert Jacoby and John Hoyne in August 1987.

To dissuade a bid, Ogilvy adopted a "poison-pill" shareholder rights plan at a hastily called board meeting Jan. 12. But financial experts cautioned that no company is takeover-proof and said the move might only boost Ogilvy's price if it's sold.

Last month, after months of complaints by Wall Street analysts about Ogilvy's "disappointing" and "laggard" earnings performance, Ogilvy directors discussed a dividend boost or share repurchase program at an unscheduled board meeting Dec. 20 (AA, Dec. 26).

At the Jan. 12 meeting, Ogilvy adopted the shareholder rights plan designed to "protect the interests of Ogilvy's shareholders in the event the company is confronted with coercive or unfair takeover tactics," Chairman-CEO Kenneth Roman said in a statement.

K. Roman

Mr. Roman was in London late last week and unavailable for further comment.

The plan offers holders of each share of common stock the right to buy $230 worth of stock for $115, if an offer is made or a shareholder acquires at least 20% of Ogilvy stock. It also would enable Ogilvy shareholders to buy stock in the acquiring company—if it's public—for half price.

An Ogilvy spokesman said late last week the agency holding company was unaware of any takeover threat, but he refused to say whether Ogilvy officials are discussing a possible leveraged buyout.

Analysts said any purchase of the company, from within or without, would cost $45 to $48 a share, or at least $600 million, a figure that could rise if speculative investors continue to boost the stock's price.

Possible suitors include WPP Group, London, which successfully mounted a $566 million hostile takeover of J. Walter Thompson Co. in June 1987, and Dentsu, the giant Japanese agency. However, Dentsu is viewed as less likely to seek an unfriendly acquisition.

WPP declined comment on Ogilvy; Minoru Kamata, Dentsu's senior managing director responsible for international operations, denied the speculation.

WPP Chief Executive Martin Sorrell has repeatedly praised Ogilvy's diverse mix of marketing services, calling the agency JWT's strongest competitor both strategically and creatively.

But debt from the JWT acquisition, coupled with WPP's comparatively lower stock price, would make financing an Ogilvy buyout difficult.

"It's a deal he'd [Mr. Sorrell] like, but it would be difficult," said analyst Emma Hill of Wertheim, Schroder & Co.

A flurry of rumors followed days of hectic over-the-counter trading in Ogilvy stock.

The share price jumped $3, to $30.50, on Jan. 9, after hovering in the mid $20s for at least several months. More than 286,000 shares were traded that day, and company officials said they were unaware of any reason for the stock activity. Ogilvy climbed another $2.50 to $33 on Jan. 10 on trading of 476,600 shares, more than 10 times the normal volume.

Still without any disclosures by would-be acquirers, the stock price dropped 50¢ on Jan. 11, to $32.50, on reduced volume of 189,000 shares. Following adoption of the poison-pill plan on Jan. 12, Ogilvy dropped $1.75; it rose 75¢ on Jan. 13, closing at $31.50.

"It doesn't appear from what the market is saying that any bidder is lining up for a hostile bid," said James Dougherty, analyst at County NatWest Securities USA.

Dentsu or any other Japanese agency is unlikely to try an unfriendly takeover; observers say it simply isn't the Japanese style of doing business.

Alan Gottesman, an analyst with PaineWebber, speculated that an equity swap may be in the works between Dentsu and Ogilvy that would help both agencies expand into each other's markets.

A stock swap similar to that planned by

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# Campbell eyes agency trims

By JUDANN DAGNOLI

Campbell Soup Co. may consolidate its $20 million frozen-food account at a single agency, perhaps as soon as this spring.

The marketer's frozen-food business is currently split among three agencies: DDB Needham Worldwide, New York, for Mrs. Paul's frozen fish products; Ogilvy & Mather for Le Menu, Le Menu LightStyle and Great Starts frozen breakfasts; and Hal Riney & Partners, San Francisco, for Swanson frozen dinners and entrees.

Campbell executives declined comment.

Sources said Steven McNeil, 46, newly installed as president of the frozen-food group, is behind the proposed change.

Mr. McNeil, formerly VP and group general manager-convenience meals, added the title of Mrs. Paul's president last November. At that time, William Dowd, then president of Mrs. Paul's, resigned to join Kraft.

After Mr. Dowd left, Campbell combined Mrs. Paul's, convenience meals and all frozen foods into one unit.

One source close to the situation said Mr. McNeil "doesn't see the need for three separate agencies."

It couldn't be learned whether there would be a formal review for the combined account.

Campbell spent $5.2 million in measured media on Mrs. Paul's for the first nine months of 1988, according to Leading National Advertisers. Swanson was the second-largest spender, with $4 million in measured media for the nine months ended Sept. 30, with Great Starts

*(Continued on Page 55)*

## Two shops vie for Handycam

# Sony looks global

By DAVID KILBURN and JULIE SKUR HILL

Sony Corp., in an unusual move, is talking to two agencies about consolidating one of its accounts on a worldwide basis.

The consumer electronics marketer is hearing presentations at its headquarters from McCann-Erickson Worldwide's McCann-Erickson Hakuhodo office and HDM Worldwide's Tokyo office for its 8mm Handycam video recorder, said Jeffrey Brooks, VP-advertising and promotion at Sony Corp. of America.

Sony executives in Tokyo weren't available for comment.

Worldwide coordination of advertising and marketing is uncommon for Japanese companies. Few Sony accounts have ever been handled on a global basis, sources said.

Some agency sources believe Handycam could become a test of global coordination.

In the U.S., McCann handles the Handycam account, with various other agencies assigned the business in other countries, Mr. Brooks said.

"I assume [more global alignment] is always a possibility for Sony, but that is not happening right now," he said.

A U.S. McCann source considers the pitch "an educational exercise" in global account management for Sony.

"In typically Japanese fashion, they are hearing how other companies do it, then they will decide if it is for them," the source said.

A decision on the Handycam account, believed to be small, is expected within 60 to 90 days.

The Handycam account may involve very little traditional advertising, possibly concentrating on direct-marketing and sales promotion efforts, sources said.

"It's possible that this [account] could just be coordination of strategic directions," Mr. Brooks said.

McCann handles Sony in seven countries, including the U.S. Dentsu, one of HDM's partners, handles Sony in Japan.

In 1986, Sony spent $188 million on worldwide advertising.#

Special Report

# Destination: U.S.

*The more foreigners 'visit, the more they look for new places' and that's why Iowa and Maryland are among the surprises*

By Len Strazewski

The U.S. is gaining strength from a weakened dollar as foreign tourists—with exchange rates in mind and pocketbooks in hand—march into this country in record numbers.

Trying to capitalize on double-digit increases in foreign tourists to the U.S. —from 1987 to 1988 overall tourism to the U.S. rose 16% to 29.7 million visitors—state tourism departments are focusing more of their ad budgets on overseas targets and teaming up with other states and travel industry co-op advertising partners.

The United States Travel & Tourism Administration, which provides co-op ad funding to encourage foreigners to visit the U.S., reports that foreign expenditures within the U.S. rose 21% from 1986 to almost $19.4 billion in 1987. The key international targets include France, Italy, Japan, Switzerland, the U.K. and West Germany, countries in which tourism grew 25% or more in 1988, according to the USTTA.

The USTTA coordinated about $13.8 million in 1988 international co-op advertising—up about 7% from 1987—involving destination states and travel industry companies, particularly international air carriers such as Trans World Airlines and Pan American World Airways. USTTA contributes and matches funds with the states, which contribute about 25% to 33% of the money. The rest of the funding comes from the airlines.

"Marketing overseas has been a priority of ours. We've been approaching international tourism from the regional perspective. The opportunity is there, and the foreign travelers like the idea of the regional approach . . . the states seem to realize the potential from it also," says Don Wynegar, director, Office of Research, USTTA.

Projections show the trend continuing, says George Kauss, USTTA assistant secretary for travel marketing. International tourism is expected to be up about 13% in 1988 to 33.5 million and expenditures topping $24 billion, he says.

"We're only projecting a 7% increase in 1989," Mr. Kauss says, "but we tend to be conservative early in the year."

The most popular destinations continue to be California, Florida, Hawaii, New York and New England, Mr. Kauss notes, and those states were the biggest participants in the co-op campaigns. However, he says that several inland states, including Minnesota and Wyoming are becoming more aggressive in their international marketing.

"First time tourists are still looking for fun and sun, so destinations like Florida remain hot, drawing tourists with beaches and Disney World," Mr. Kauss says. "But the more often people return to visit the U.S., the more they look for new places and some of the destinations are a surprise. Even Iowa has seen a dramatic increase in international tourism—about 180% over 1987.

Florida traditionally focuses on Spanish-speaking countries, says Tim Sweis, VP, McFarland & Drier, Miami, and ad director for the Florida Division of Tourism. The state spent about $870,000 of its total $4.8 million ad budget in international consumer advertising in fiscal year 1988 and will increase their international budget 26.4% to $1.1 million in fiscal 1989.

The spending paid off, according to Mr. Sweis, with a 32% increase in international tourism in 1988, the state's largest increase in years.

Among non-traditional destination states, Minnesota and Maryland are leading an increase in marketing efforts by teaming with other states in their area to create new tourism regions.

Although Minnesota spent only a about one-quarter of its $45,000 international tourism media budget, the cause is supported strongly by Northwest Airlines, which pitched in three dollars for every dollar the state contributed.

The state also is forming a partnership with other Great Lakes states to sponsor international tourism trade advertising, particularly in the U.K. and West Germany, he says.

Maryland also posted some gains last year, with international tourism up 15% to 20% in 1988, according to Peter Chambliss, chief of international tourism in the Maryland Office of Tourism Development.

Although the state has only about $20,000 in co-op programs to spend in its four international ad programs, it is participating in a $400,000 TWA co-op trade press campaign and working with several other nearby destinations to promote "George Washington Country" in the international trade press.

Wyoming, a state not traditionally known for its appeal to overseas visitors, is increasing its international marketing with some solid results. "Our international travel is up 117% over two years ago and seems to be steadily increasing," says Chuck Box, manager of travel development for the Wyoming Travel Commission.

"This kind of repackaging is exactly what many states need if they are going to compete with other worldwide locations," says Mr. Kauss. "Worldwide competition for tourism is so intense that if we don't have a product to sell, we'll miss out completely."

*Len Strazewski is a Chicago-based free-lance writer.*

# France develops case of revolutionary fervor

## *Peaceable mobs gathering, and U.S. invited*

By Belinda Hulin-Salkin

On July 14, 1789, frenzied Parisians stormed the Bastille prison, effectively toppling the most famous monarchy in Europe and ushering in an era of popular sovereignty in France.

Now, 200 years later, the current French government is braced for a more peaceable mob scene on the Place de la Concorde as tourists from around the world are expected to join the French in celebrating the Bicentennial of the Revolution.

To ensure Americans will be well-represented in that throng, the French Government Tourist Office in New York will spend $4.5 million on advertising and promotion in the U.S. in 1989. "I expect the American public to be quite interested in this event," says Fred Rhines, president and ceo of Publicis, New York, the office's ad agency. "When you say 'revolution' and 'history' most Americans think of the U.S. After this year, we expect their second thought to be 'France.' "

According to European Travel Commission officials, the French Bicentennial festivities—launched in Paris on Jan. 1—probably will constitute the biggest attraction in Europe for 1989.

In the U.S., the Partners in Liberty Program—comprised of the French Government Tourist Office and American Committee on the French Revolution, Washington—will sponsor year-round festivals, exhibitions and cultural events in such cities as Albuquerque, N.M., Birmingham, Ala., Boston, Chicago, Durham, N.C., Galveston, Texas, Lafayette, La., Los Angeles, New York and San Diego.

From Jan. 27 to Feb. 7, Galveston will present "Mardi Gras! Galveston Proclaims Fete de France," and in late April, Lafayette, La., will host the "Festival of International de Louisiane."

"The French are certainly turning this into a broad-based celebration of their heritage . . . not just the 200th anniversary of cutting a king's head off," says Don Ford, chairman of the European Travel Commission, New York, and exec VP of the British Tourism Authority.

"It should attract a lot of people to Europe, and I expect the countries adjacent to France to benefit. In Britain, particularly, we expect to see some economic spin-off from the Bicentennial. Americans, especially first-time travelers to Europe, usually don't restrict their visit to one country."

About 2.5 million U.S. citizens are expected to visit France in 1989, an increase of 15% over 1988. And, 1988 saw an 18% increase over 1987, according to George Hern Jr., director of public relations for the French office, New York.

Conservative estimates place potential French revenues from those visitors at $2.5 billion. The increase in U.S.-French tourism has occurred despite a weak U.S. dollar and the French imposition two years ago of an entry visa requirement.

According to Mr. Hern, "We put on a hell of an advertising campaign last year, and we put together packages that guaranteed prices in U.S. dollars." He says that France's 1988 tourism ad budget topped $4 million.

The French agency plans no separate ad campaign for the Bicentennial affair, says Mr. Hern. Although the entire country will be promoted, the Bicentennial will form the core of 1989 U.S.-directed ad campaigns. Virtually every promotional piece for travel services and cultural attractions in France—from Hertz-Rent-A-Car and the National Railroads to museums and tour operators—mentions the anniversary.

"We'll be placing more emphasis on newspapers this year, because we want more ad support early in the year, and because all of our advertising is co-op," he says. "We'll be working with airlines, car rental agencies, hotels and tour operators."

Mr. Hern says 75% of the consumer ad budget is slated for a newspaper campaign and the remaining 25% for magazines. There will be no broadcast buys, he says. In addition, the French tourist agency has teamed up with French travel industry representatives to produce a 24-page free standing

*(Continued on Page S-6)*

*Belinda Hulin-Salkin is a New Jersey-based free-lance writer and frequent contributor to Special Reports.*

## Foreign invasion: State consumer ad programs abroad

| State | Countries targeted | Media used | Tie-ins | Estimated % of state budget used | Estimated total dollar amount | Agency |
|---|---|---|---|---|---|---|
| Alaska | Japan, Switzerland, W. Germany | print | USTTA, Visit US West | 10% | $1 million | in-house |
| Florida | Canada, Mexico, U.K., W. Germany 14 countries in Central and South America | TV, print, outdoor | Canadian Airlines and Treasure Tours Conquest Tours and Geography Club Holidays, Pam Am, Poundstretcher, American Express, Eastern Airlines, USTTA | 23 | $868,573, (excludes trade) | McFarland & Drier, Miami |
| Hawaii | Australia, Japan, New Zealand | print | USTTA | 41 | $1.6 million | Milici Valenti Park and Gabriel Advertising, Honolulu |
| Illinois | Spain, U.K., W. Germany | print, TV | British Airways, Iberia Airways, TWA, USTTA | 7 | $1.5 million | STZ, Milan, Italy |
| Kentucky | U.K. | sales brochure | Delta Airlines, USTTA | 2 | $20,000 | in-house |
| Louisiana | Canada, France | print | USTTA | 7 | $40,000 | Sides & Associates, Lafayette, La. |
| Maryland | Canada, U.K., W. Germany | print, considering radio | TWA, USTTA, tour wholesalers | 5 | $160,000 | Earle Palmer Brown, Bethesda, Md. |
| Massachusetts | France, Netherlands, U.K. | TV, print | Conn., Maine, Mass., N.H., R.I., Vt., Hertz Rent-A-Car, TWA, USTTA, regional tourist assns., The Sheraton Corp., Domenico Tours, Tauck Tours, Mass. Port Authority, public and private sectors | 4 | $300,000 | Aspect, Hill, Holiday, London |
| Minnesota | Japan, Norway, Sweden, U.K., W. Germany | print, direct reponse | Ill., Ind., Ohio, Wis., Ontario, Canada, Great Lakes States USA, Mississippi Country, Northwest Airlines, USTTA | 4 | $10,000 to $12,000 | Flint Communications, Minneapolis |
| Montana | Canada | print, outdoor, TV | none | 2 | $32,600 | Wendt Advertising, Great Falls, Mont. |
| Nevada | Canada | print | Las Vegas, Reno and USTTA | 2 | $70,000 | R&R Advertising, Las Vegas, Nev. |
| New Hampshire | Canada | print | Conn., Maine, Mass., R.I., Vt. | n/a | $11,000 | O'Neil Griffin & Assoc., Manchester, N.H. |
| New Jersey | Canada, France, Japan, Korea, Netherlands, U.K. | print | Port Authority of New York and New Jersey, N.J. Dept. of Commerce and Economic Development, N.J. Div. of International Trade | 8.5 | $450,000 | Poppe Tyson, Morris Plains, N.J. |
| New York | France, U.K., W. Germany | print, TV | Pan Am | 4 | n/a | Wells, Rich, Greene, N.Y. |
| North Carolina | Canada | print | none | 6 | $150,000 | McKinney & Silver Raleigh, N.C. |
| North Dakota | Canada | print | Old West Trail (regional assn. that includes Mont., Neb., N.D., S.D., Wyo.) | 10 | $30,000 (to $60,000 in 1989) | G. L. Ness, Fargo, N.D. |
| Ohio | Japan, U.K., W. Germany | print | co-op with Ill., Ind., Mich., Minn., Wis. | <1 | $20,000 | outside consultant |
| Oklahoma | Canada | print | America's Heartland Region, North America Travel Service, TWA, USTTA | <1 | $5,000 to $6,000 | State's Travel Development Office |
| Oregon | Japan | print | none | 1 | $20,000 | Wieden & Kennedy, Portland, Ore. |
| Rhode Island | Canada | print | one co-op with *Readers Digest*, Conn., Maine, Mass., N.H., Vt. | 6 | $12,225 | Duffy & Shanley, Inc., Providence, R.I. |
| South Dakota | Canada | print | 30 private businesses | 0 | 0 | Lawrence & Schiller, Sioux Falls, S.D. |
| Texas | U.K., W. Germany | electronic, print | USTTA | 4 to 6 | $500,000 | State Tourism director/ GSD&M, Austin, Tex. |
| Vermont | Canada | electronic, print | private sector, USTTA | 8 | $45,000 | Knox, Nimick, & Harwood, Stowe, Vt. |
| Virginia | U.K., W. Germany | print | Pan Am | 5.5 | $300,000 | The Martin Agency, Richmond, Va. |
| Washington | Japan, U.K., W. Germany | consumer/PR shows | Alaska, Ariz., Calif., Idaho, Nev., Ore., USTTA, Western Assn. of Convention and Visitors Bureau, British Columbia | 1.5 | $50,000 to $70,000 | Cole & Weber, Seattle, Wash. |
| Wyoming | W. Germany | print | none | 23 | $65,000 | Broyles, Allebaugh & Davis, Englewood, Colo. |

Source: Advertising Age

# Fighting for piece of Americana

## *'We're trying to prevent tourism from slowly dying' at Yellowstone*

By Jill L. Sherer

"What do you do when your best client burns up?" asks Charles Lester, VP and co-owner of Sage Advertising, a Helena, Mont.-based agency for TW Recreational Services, Yellowstone National Park's main concessionaire.

To battle the consequences of fires that raged through the park from June to September, Conoco Inc., Idaho, Montana, Montana Power, Wyoming and Yellowstone's gateway towns joined TW in a joint promotion. Launched in November to win back the 377,382 tourists lost last season, the effort involved sending travel agents and journalists a videotape chronicling the fires and Yellowstone's rebirth; Wyoming and Montana also financed a brochure for the trade and media.

Rip Ripley, account manager at Wyoming's agency, Broyles Allebaugh & Davis, Englewood, Colo., says a crisis management approach or a trade-oriented public relations campaign were considered. He describes the first as a "knee jerk reaction to throw a lot of money into paid advertising," and the latter as "the most effective communication for the park and the whole state. We decided to run with an already developed campaign and add the PR element to tell the Yellowstone story."

According to Claudia Rowdabaugh, tourism director at the Cody Chamber of Commerce, the cooperative trade effort permits all the interested parties to work together under the same umbrella.

Mr. Ripley adds that Wyoming had neither the time nor the money to develop a new campaign to deal specifically with the fires. He says the main concern is not for next season. "Next year we expect to see curiosity travelers. We are worried that the fires will have an impact on tourism two to three years from now and that's what we're trying to guard against. We're trying to prevent tourism from slowly dying." A March 1990 campaign may include a TV spot addressing Yellowstone with the possible tagline, "If you like to see things grow, come to Yellowstone."

"It's true the fate of Wyoming tourism is on the line," Mr. Ripley says. The U.S. Travel Data Center estimates Yellowstone and Grand Teton National Parks generate about 88.2% of Wyoming's $850 million annual tourism revenue.

Wyoming did not increase its ad budget for the 1988-89 fiscal year ending June 30, 1988. Instead, it shifted ad dollars away from radio to concentrate on the trade promotions that addressed the fire.

*Jill L. Sherer is a free-lance writer based in Chicago.*

Tourism was down in November and early December by about 12% to 18% from the previous year, says Gene Bryan, director of the Wyoming Travel Commission. "It was off dramatically in August—approximately 50%—and up 40% in October from 1987."

"However, we have done enough [this year]," Mr. Ripley insists. "A lot has been done without us. You don't just get a 22-page spread in *National Geographic* or four or five segments over the course of a year on the Charles Kuralt show. No agency in the world can do that."

The Wyoming/Montana-financed four-page mailing, which dispensed information about affected areas, accommodations and statistics immediately after the fires, reported that Yellowstone's attractions were not adversely affected. According to Mr. Ripley, the media has reacted positively.

Scott Shane, editor of *Travel-Holiday*, says Yellowstone remains a big destination for inbound tourists, and that the area has heavily promoted the fact that the fires did not do damage. "I think most of what people want to see is still intact," he says, predicting no significant drop in 1989 tourism levels.

The Wyoming State Travel Commission is launching a new $1.4 million consumer ad campaign in March via BA&D. Carrying an umbrella theme, "Find yourself in Wyoming," the campaign includes about $1.1 million in regional TV, about $200,000 in national print, with the remainder directed to transit and outdoor. Ads features cartoon character Bullwinkle and is designed as a multi-year campaign.

Suzanne Young, executive director, Jackson Hole Chamber of Commerce, says the message of the advertising campaign is not being adjusted to address the fires "because public perception has not diminished but, in fact, has been heightened [by curiosity]."

"Public memory is short and always replaced by the next event. It's going to take a lot to remove the image of the fires blazing for 23 nights on network news, but I think there is interest in the 'after' story."


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# Squabbling mires down centennial

By Kevin Gudridge

A well-intentioned Northwest Centennial celebration involving six states appears to be goin' south, victimized by disorganization and disagreement about the use of promotion funds.

The first time Idaho, Montana, North and South Dakota, Washington and Wyoming are banding together in a cooperative marketing program is likely to leave scars that may not heal for another 100 years.

The states hoped to use the centennial celebration to promote the entire region as a tourist hot spot. However, controversy arose between how to promote and fund the program. "I don't think you'll see the six states market together domestically again," says John Wilson, Travel Montana tourism director. "The region is just too broad to market in this country as one unit."

*Kevin Gudridge is an* Advertising Age *correspondent based in Seattle.*

The centennial-based co-op program "has been put together on sort of an *a la carte* basis as opportunities arose rather than as a coordinated campaign," says Carl Wilgus, administrator, Idaho Division of Travel Promotion. The arrangement illustrates some of the pitfalls in assembling a coalition of states that perceive themselves as having little in common and that come to the table with different marketing objectives and advertising budgets.

■ *Intended to turn Northwest into tourism hot spot, celebration turns a bit unfriendly*

"Part of the problem has been the coordination hassles involved with six travel divisions and six centennial commissions," says Elayne Wallis, press and PR officer for the Wyoming Travel Commission. "Several states are having problems in marketing their own centennials, and the co-op effort has just added to everyone's duties because no one really stepped out in front as a leader."

The co-op effort began to take shape in 1986 when state travel directors were invited to meet with centennial officials from the six states. "We were seen as out-of-state marketing arms that could position the centennial and the region uniquely in the travel market," says Mr. Wilson. "We realized there would be significant limitations on what we could do, but we agreed right away on the common logo and the events calendar."

The centennial commissions were set up separately from the state tourism divisions and without any direct government funding, except for Wyoming and Washington, which received $200,000 and $11 million, respectively, from their state legislatures. The centennial commissions, which have not given any money to the six-state co-op effort, expected individual state tourism divisions to fund the program. Individual state centennial commissions have been receiving a percentage of registration fees from the sale of centennial license plates and licensing their logo to manufacturers to fund their in-state promotions.

Problems have arisen from this arrangement. "You could say that some animosities have emerged on who pays for what," says Ms. Wallis.

For example, after Montana and the Dakotas balked at the expense of a 10-page February *American Heritage* insert, Idaho, Washington and Wyoming shouldered the $60,000 cost. Those states that did not contribute to the cost nonetheless will benefit from five pages of the insert that will cover the region's history and development and feature an events calendar.

**The six states did agree on this common logo for the Northwest Centennial celebration.**

According to Steve Shimek, publicity coordinator of Travel Montana, "Every time any of the other states get a request for travel information, we have the opportunity to use their money and come out a winner because information about Montana is going to be included in that fulfillment packet." Washington and Idaho will run spread ads and Wyoming a page ad; the cost of the project will be split proportionally among the three states.

Washington and Idaho contributed the most to the six-state project, spending approximately $42,300 each. Wyoming spent about $30,300, and Montana and North and South Dakota each contributed about $18,300.

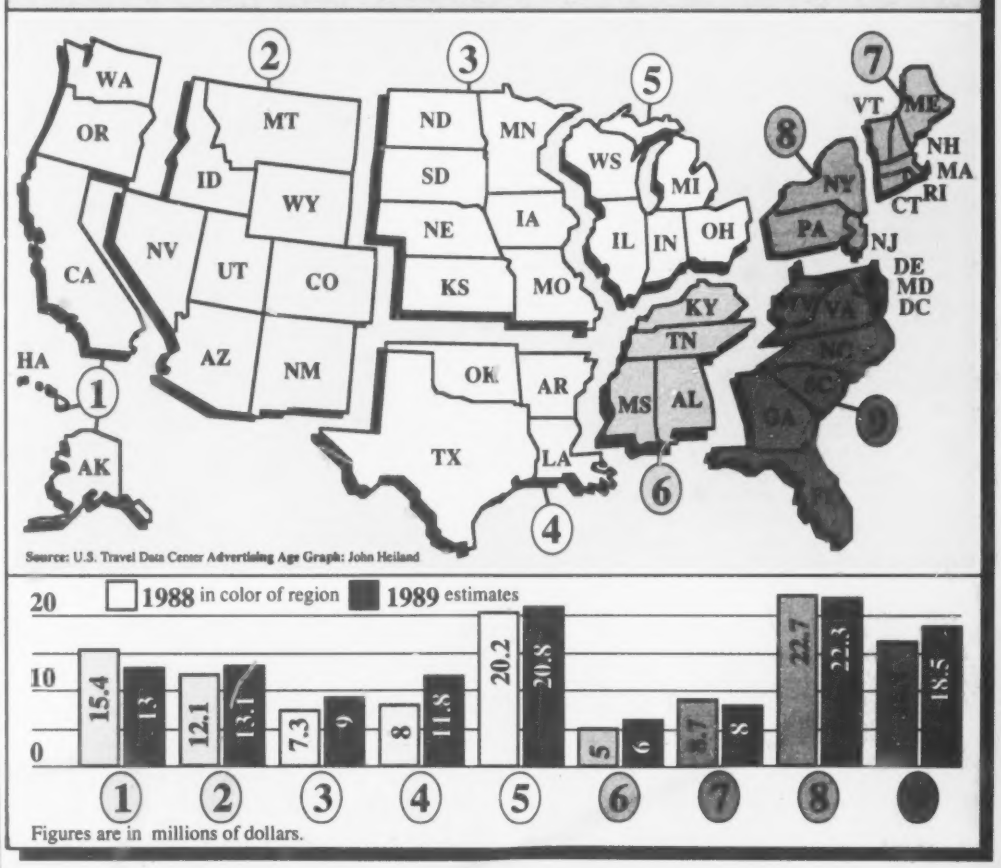
"Money has a lot to do with everything that is or isn't being done," says Mr. Shimek. "In some states there's been a real question of who's going to come up with the money, the travel division or the centennial commission."

The states rejected the idea of seeking outside tie-ins. "It just wasn't worth the hassle," says Mr. Shimek. "Each state's centennial commission is going after that kind of money, and to go after a US West or an Exxon, you need a front person for fund-raising. Nobody wanted to add bureaucracy to this effort."

Other ideas—a $250,000 eight-page insert in *USA Today*, a six-state steam train excursion expected to cost several hundred thousand dollars, and a six-state treasure hunt to be backed by a national ad campaign—were rejected as being too expensive. "We just don't have the budget to make that kind of national splash," says Tracy Potter, publications

*(Continued on Page S-6)*

## State travel advertising budgets by U.S. census regions




Source: U.S. Travel Data Center Advertising Age Graph: John Heiland




Figures are in millions of dollars.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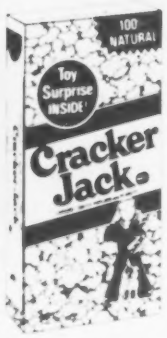


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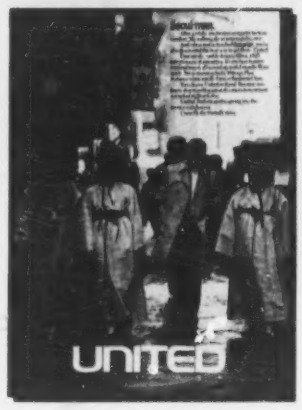
# Flying high

*Six winners enjoy the ride in ad readership study*

Starch INRA Hooper measures ad readership performance on three criteria: "Noted"—percentage of readers who remember having seen the ad in study issue; "Associated"—percentage of readers who saw or read something in the ad that would indicate the advertiser; "Read Most"—percentage of readers who read more than half of the ad copy.

Each year, Starch measures over 65,000 ads in 700 magazine issues. For this ADVERTISING AGE Special Report, Starch reviewed its 1988 data bank for the Travel category to identify those one-page, four-color ads that performed best in terms of reader "Noting." The six winners are British Airways, Embassy Suites Hotels, Lufthansa German Airlines, Princess Cruises, United Airlines and the U.S. Virgin Islands.




# Centennial

*(Continued from Page S-4)*
director of the North Dakota Tourism Promotion. "And I don't think we would have put up more money for the co-op effort. But some of the co-op deals were too good to turn down, even though we might have dragged our feet a little."

The states did agree on a common logo—"Celebrate the 1989-1990 Northwest Centennial," which will appear on an estimated 12 million government publications through 1990. They also spent $85,000 for 1 million copies of a four-color events calendar, available to the public in mid-December, $20,000 for a media kit and a newsletter to be sent to travel trade and $5,000 for a four-color brochure sent to tour operators.

According to Rick Ardinger, information specialist, Idaho Centennial Commission, "We see the opportunity to develop a national calling card by promoting Idaho with the other five states, while we get a two-year ride and the chance to learn from everybody else's mistakes."

Although the six-state arrangement is unlikely to be repeated, the individual states intend to maintain their co-op relationships with other states and pursue new ones. For example, Montana, Wyoming, the Dakotas and Nebraska work together on the 22-year-old Old West Trail Foundation, while Washington promotes the "New West Coast Playground" with Oregon and the "Two-Nation Vacation" with British Columbia.

"Any co-op effort has to be viewed two ways: Are you stronger in numbers than by yourself? And once you're involved, can you work it to your advantage?" asks Mr. Shimek.

"Each state clearly thought it has something to gain." Washington realized it would be a primary contributor, says Tom Stilz, travel media specialist, Washington Tourism Development Division. "But everyone benefits. I think the general attitude was that we'd be nuts if we didn't try to put something together."

## Travel editors' hot picks*

**Go west! Leading travel magazine editors agree—the West will be *the* popular domestic vacation region in 1989. Below they select '89's prime domestic and international destinations.**

### Domestic hot spots

| Pamela Fiori, editor in chief, *Travel & Leisure* | Rod Davis, editor, *American Way* |
|---|---|
| 1. Hawaii | 1. New Orleans |
| 2. Northern Rockies | 2. San Diego |
| 3. Santa Fe & New Mexico | 3. Seattle |
| 4. Northern California | 4. New York |
| 5. San Diego, La Jolla, Calif. | 5. Denver |

| Scott Shane, executive editor, *Travel/Holiday* | Harold Evans, editor in chief, *Conde Nast Traveler* |
|---|---|
| 1. Florida | 1. Home Ranch, Colo. |
| 2. Arizona | 2. Death Valley, Calif. |
| 3. New England | 3. Nantucket |
| 4. Yellowstone National Park | 4. New Orleans |
| 5. Alaska | 5. Grand Canyon boating |

### International hot spots

| Pamela Fiori, editor in chief, *Travel & Leisure* | Rod Davis, editor, *American Way* |
|---|---|
| 1. Nile River cruises, Egypt | 1. Paris |
| 2. Thailand | 2. London |
| 3. Turkey | 3. Tokyo |
| 4. Buenos Aires, Argentina | 4. Vancouver |
| 5. Paris | 5. Nevis in the Caribbean |

| Scott Shane, executive editor, *Travel/Holiday* | Harold Evans, editor in chief, *Conde Nast Traveler* |
|---|---|
| 1. Hong Kong | 1. Huatalco, Mexico |
| 2. Australia | 2. Madagascar |
| 3. Turkey | 3. Paris |
| 4. Kenya | 4. British Columbia |
| 5. India | 5. Recife, Brazil |

Source: ADVERTISING AGE.
*Travel magazines participating in the survey were chosen based on total travel ad pages/dollars as cited by Publishers Information Bureau figures, January to August 1988.

# Revolution

*(Continued from Page S-2)*
insert scheduled to run in Chicago, Los Angeles and New York newspapers during February and March.

A 40-city series of travel seminars also is planned, and the agency is cooperating with an undisclosed department store on a fortnight promotion.

Mr. Ford credits the "guaranteed pricing" trend with allaying the fears of hesitant U.S. travelers. It "used to be Americans' primary concern about going to Europe was the cost of crossing the Atlantic," he says. "Now research shows that Americans are most concerned about inflation in Europe and the falling dollar.

"In response, a number of hotel groups and other organizations—led by the French—instituted a voucher system," Mr. Ford says. "Travelers pay for accommodations, meals, tickets in advance in American dollars [to guarantee their rate of exchange]."

Bruce Haxthausen, press relations manager for Air France's New York office, expects guaranteed pricing and value-oriented promotions to make up a strong segment of European travel this year. Air France, which controls an estimated 40% of the U.S.-to-France airline market, expects a "double-digit" boost in fares to Bicentennial France. He says the company won't offer any specific Bicentennial packages but may participate in packages from tour operators.

"The Bicentennial is a very diffused thing—it's happening all over the country," he says. "For many events, like Bastille Day in Paris, the hotels are showing strong sales, so building a package around that would be misleading."

Associate editor Anita Busch coordinated this report on Travel Marketing.

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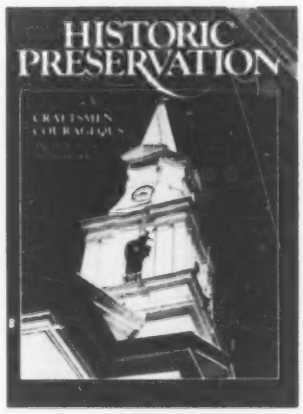


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